



September 21, 2012

Federal Communications Commission
445 – 12th Street, S. W.
Washington, DC 20554

To Whom It May Concern:

Peoples Telephone Cooperative, Inc. is pleased to submit the attachments as a supplement to the Peoples Rural Connection Lifeline Broadband Pilot Project application. The supplements consist of an updated Appendix C showing a new total project cost of \$1,398,277.62, and a letter explaining our LTE/WiMax NRC fees as well as an alternative to the reimbursement requested in our original application. The LTE/WiMax one-time fees now equate to 3% of our total budget. LTE/WiMax subscriptions are projected to represent 10% of the total Pilot subscriptions; DSL subscriptions are projected to represent 90%. These are being submitted in response to FCC requests for additional information as discussed via conference call on morning of September 20, 2012.

Thank you for the opportunity to amend our application and, thus, better serve the needs of our low-income community. Should you have further questions or require additional information, please don't hesitate to contact me or Regenia Farnham at 903-878-0104 X2144 or X2136, respectively.

Sincerely,

A handwritten signature in black ink that reads 'Sharon L. Hurley'.

Sharon Hurley
Manager of Regulatory Affairs

enc



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Our LTE and WiMax technologies are provided on a contractual basis. We offer a 1- or 2-year contract with activation fees of \$199.95 (\$216.45 including taxes) and \$99.00 (\$107.17 including taxes), respectively.

These activation fees are assessed to help defer the cost associated with installation, such as the initial site survey and a truck roll to install additional equipment that may be needed to obtain a signal at the customer location. Because of the rurality of our LTE/WiMax coverage area, we travel an average of 55 miles one way to test signal strength at a customer's physical location. This is a crucial step in our installation process to ascertain the necessity of additional equipment that may be required to obtain adequate signal strength at the customer's location. The average cost of each truck roll, figured at the standard federal rate of \$.555 per mile, is \$61.05 per truck roll and our average overhead for each visit is \$63.20 based on an average 2.5 hour site survey premise visit. Therefore, both our site survey and our installation costs begin at a minimum of \$124.25. Wiring, cabling or and external antenna may be required and an additional truck roll plus additional time to install these items is required should this be the case. We serve the rural northeast Texas area and, due to the lack of proximity to signal towers, 75% of our customers require an external antenna. Consequently, the additional activities required to activate service increase our truck roll costs to an average of \$250 as previously stated.

In lieu of offering a one-year contract activation fee of \$199.00 plus tax, we would like to offer a two-year contract to each Peoples Rural Connection customer with an activation fee of \$99.00 (\$107.17 including taxes). Customers that require an external antenna will be charged \$150.00 more for the additional equipment, which is the current practice for our LTE/WiMax customers. We request reimbursement from the FCC's Lifeline Pilot Program for the 2 year contract activation fee of \$99.00 (\$107.17 including taxes) for each lifeline customer choosing to participate in the Program. This will not impact our DSL Pilot Program offering, which will remain as requested in our initial application.

Our goal at Peoples has always been to provide quality service at an affordable price to our rural subscribers. We would be proud to continue this tradition with our rural lifeline consumers through an affiliation with the FCC's Lifeline Pilot Program.

Sincerely,

Keith Kindel

Director of Wireless Operations

Peoples Rural Connection Program

Option One	New Subscribers		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total Project
Basic DSL			600	500	400	300	100	61	25	25	25	0	0	0	2036
Basic LTE			60	50	40	30	10	6	3	3	3	0	0	0	204
	Total		660	550	440	330	110	67	28	28	28	0	0	0	2240 *
Option One	Total \$	Subsidy													
Basic DSL	\$ 20.00	\$ 12,000.00	\$ 22,000.00	\$ 30,000.00	\$ 36,000.00	\$ 38,000.00	\$ 39,220.00	\$ 39,720.00	\$ 40,220.00	\$ 40,720.00	\$ 40,720.00	\$ 40,720.00	\$ 40,720.00	\$ 40,720.00	\$ 420,040.00
DSL One-Time Fee	\$ 49.00	\$ 29,400.00	\$ 24,500.00	\$ 19,600.00	\$ 14,700.00	\$ 4,900.00	\$ 2,989.00	\$ 1,225.00	\$ 1,225.00	\$ 1,225.00	\$ -	\$ -	\$ -	\$ -	\$ 99,764.00
Basic LTE	\$ 20.00	\$ 1,200.00	\$ 2,200.00	\$ 3,000.00	\$ 3,600.00	\$ 3,800.00	\$ 3,922.00	\$ 3,972.00	\$ 4,022.00	\$ 4,072.00	\$ 4,072.00	\$ 4,072.00	\$ 4,072.00	\$ 4,072.00	\$ 42,004.00
LTE One-Time Fee	\$ 107.17	\$ 6,430.20	\$ 5,358.50	\$ 4,286.80	\$ 3,215.10	\$ 1,071.70	\$ 653.74	\$ 267.93	\$ 267.93	\$ 267.93	\$ -	\$ -	\$ -	\$ -	\$ 21,819.81
	Total		\$ 49,030.20	\$ 54,058.50	\$ 56,886.80	\$ 57,515.10	\$ 47,771.70	\$ 46,784.74	\$ 45,184.93	\$ 45,734.93	\$ 46,284.93	\$ 44,792.00	\$ 44,792.00	\$ 44,792.00	\$ 583,627.81

Option Two	New Subscribers		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total Project
Basic DSL			600	500	400	300	100	61	25	25	25	0	0	0	2036
Basic LTE			60	50	40	30	10	6	3	3	3	0	0	0	204
	Total		660	550	440	330	110	67	28	28	28	0	0	0	2240 *
Option Two	Total \$	Subsidy													
Basic DSL	\$ 30.00	\$ 18,000.00	\$ 33,000.00	\$ 45,000.00	\$ 54,000.00	\$ 57,000.00	\$ 58,830.00	\$ 59,580.00	\$ 60,330.00	\$ 61,080.00	\$ 61,080.00	\$ 61,080.00	\$ 61,080.00	\$ 61,080.00	\$ 630,060.00
DSL One-Time Fee	\$ 49.00	\$ 29,400.00	\$ 24,500.00	\$ 19,600.00	\$ 14,700.00	\$ 4,900.00	\$ 2,989.00	\$ 1,225.00	\$ 1,225.00	\$ 1,225.00	\$ -	\$ -	\$ -	\$ -	\$ 99,764.00
Basic LTE	\$ 30.00	\$ 1,800.00	\$ 3,300.00	\$ 4,500.00	\$ 5,400.00	\$ 5,700.00	\$ 5,883.00	\$ 5,958.00	\$ 6,033.00	\$ 6,108.00	\$ 6,108.00	\$ 6,108.00	\$ 6,108.00	\$ 6,108.00	\$ 63,006.00
LTE One-Time Fee	\$ 107.17	\$ 6,430.20	\$ 5,358.50	\$ 4,286.80	\$ 3,215.10	\$ 1,071.70	\$ 653.74	\$ 267.93	\$ 267.93	\$ 267.93	\$ -	\$ -	\$ -	\$ -	\$ 21,819.81
	Total		\$ 55,630.20	\$ 66,158.50	\$ 73,386.80	\$ 77,315.10	\$ 68,671.70	\$ 68,355.74	\$ 67,030.93	\$ 67,855.93	\$ 68,680.93	\$ 67,188.00	\$ 67,188.00	\$ 67,188.00	\$ 814,649.81

Total	New Subscribers		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total Project
Basic DSL			1200	1000	800	600	200	122	50	50	50	0	0	0	4072
Basic LTE			120	100	80	60	20	12	5	5	5	0	0	0	407
	Total		1320	1100	880	660	220	134	55	55	55	0	0	0	4479 *
Total	Total \$	Subsidy													
Basic DSL	\$20/\$30	\$ 30,000.00	\$ 55,000.00	\$ 75,000.00	\$ 90,000.00	\$ 95,000.00	\$ 98,050.00	\$ 99,300.00	\$ 100,550.00	\$ 101,800.00	\$ 101,800.00	\$ 101,800.00	\$ 101,800.00	\$ 101,800.00	\$ 1,050,100.00
DSL One-Time Fee	\$ 49.00	\$ 58,800.00	\$ 49,000.00	\$ 39,200.00	\$ 29,400.00	\$ 9,800.00	\$ 5,978.00	\$ 2,450.00	\$ 2,450.00	\$ 2,450.00	\$ -	\$ -	\$ -	\$ -	\$ 199,528.00
Basic LTE	\$20/\$30	\$ 3,000.00	\$ 5,500.00	\$ 7,500.00	\$ 9,000.00	\$ 9,500.00	\$ 9,805.00	\$ 9,930.00	\$ 10,055.00	\$ 10,180.00	\$ 10,180.00	\$ 10,180.00	\$ 10,180.00	\$ 10,180.00	\$ 105,010.00
LTE One-Time Fee	\$ 107.17	\$ 12,860.40	\$ 10,717.00	\$ 8,573.60	\$ 6,430.20	\$ 2,143.40	\$ 1,307.47	\$ 535.85	\$ 535.85	\$ 535.85	\$ -	\$ -	\$ -	\$ -	\$ 43,639.62
	Total		\$ 104,660.40	\$ 120,217.00	\$ 130,273.60	\$ 134,830.20	\$ 116,443.40	\$ 115,140.47	\$ 112,215.85	\$ 113,590.85	\$ 114,965.85	\$ 111,980.00	\$ 111,980.00	\$ 111,980.00	\$ 1,398,277.62

*Based upon Texas research on low-income, non-adopters willing to subscribe at \$20.00 projected across test geography.